

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON HB 2

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on April 19, 1999 at 8:07 A.M., in Room 312-2 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Rep. Tom Zook, Chairman (R)
Rep. Ernest Bergsagel (R)
Rep. Joe Quilici (D)

Members Excused: None.

Members Absent: None.

Staff Present: Shannon Gleason, Secretary
Clayton Schenck, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 2, 4/18/1999
Executive Action: Amendments

Motion/Vote: REP. ZOOK moved that **AMENDMENT HB000285.ALS EXHIBIT**(frs85hb0002a01) BE ADOPTED. Motion carried unanimously.

Motion: REP. ZOOK moved that **AMENDMENT HB000229.AJT EXHIBIT**(frs85hb0002a02) BE ADOPTED.

Discussion:

REP. QUILICI asked if the potential tobacco money was \$67,000,000.00. **CHAIRMAN SWYSGOOD** advised that was correct.

Motion/Vote: REP. ZOOK moved that **AMENDMENT HB000275.AGD EXHIBIT(frs85hb0002a03)** BE ADOPTED. Motion carried unanimously.

Motion/Vote: SEN. NELSON moved that **AMENDMENT HB000273.ARL EXHIBIT(frs85hb0002a04)** BE ADOPTED. Motion carried 5-1 with Bergsagel voting no.

Motion: REP. QUILICI moved that **AMENDMENT HB000285.AGD EXHIBIT(frs85hb0002a05)** BE ADOPTED.

Discussion:

REP. QUILICI advised this restores cuts made in the 1997 session.

SEN. MOHL asked if the department was collecting this now why needed the FTE. REP. QUILICI explained the cuts have made the department is unable to complete the current assigned duties.

CHAIRMAN SWYSGOOD advised this was a self imposed rate increase.

REP. BERGSAGEL felt there was no need for this and stated there are already too many silly programs.

REP. ZOOK stated his constituents requested this. REP. BERGSAGEL advised his did to and he told them he was not in support of this.

Debbie Alke, Department of Transportation, advised the fees had not been increased since 1945.

Vote: Motion carried 5-1 with Bergsagel voting no.
{Tape : 1; Side : A; Approx. Time Counter : 10:30}

Motion/Vote: REP. ZOOK moved that **AMENDMENT HB000287.ALS EXHIBIT(frs85hb0002a06)** BE ADOPTED. Motion carried 5-1 with Bergsagel voting no.

Motion/Vote: REP. ZOOK moved that **AMENDMENT HB000279.ALS EXHIBIT(frs85hb0002a07)** BE ADOPTED. Motion carried unanimously.

Motion: REP. ZOOK moved that **AMENDMENT HB 000235.AJT EXHIBIT(frs85hb0002a08)** BE ADOPTED.

Discussion:

Mary Bryson, Department of Revenue, explained the department was not currently appraising personal property when assessing intangible taxes. The department used a unit value to assess the

tax. There was considerable discussion on the way the department assessed the intangible tax value.

REP. ZOOK did not understand why people were needed if they were already taxing intangible property. **Ms. Bryson** advised the department would be contracting services, not hiring personnel, and they currently were not assessing separate items.

REP. QUILICI asked who the department would be contracting with. **Ms. Bryson** did not know.

SEN. MOHL wanted to know the industries involved with the centrally assessed tax. **Ms. Bryson** advised it was utilities, rail roads, airlines, and other businesses of that type.

Vote: Motion failed 1-5 with Swysgood voting aye.

Motion: **REP. ZOOK** moved that **AMENDMENT HB000231.AJT EXHIBIT(frs85hb0002a09)** BE ADOPTED.

Discussion:

Angela Fultz, Secretary of State, advised this amendment was not needed.

REP. ZOOK withdrew his motion.

Dave Lewis, Budget Office, advised the committee the Federal match for the **CHIP** was contained in amendment **HB000283.als**.

Motion: **REP. ZOOK** moved that **AMENDMENT HB000283.ALS EXHIBIT(frs85hb0002a10)** BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD asked in **MT PRIME** could handle the split authority and if this would cause an audit exception. **Mr. Lewis** advised this has been done in the past and believes there is no problem in doing it now.

Vote: Motion carried 5-1 with Bergsagel voting no.
{Tape : 1; Side : B; Approx. Time Counter : 10:50}

Motion/Vote: **REP. BERGSAGEL** moved that **AMENDMENT HB000235.ACC EXHIBIT(frs85hb0002a11)** BE ADOPTED. Motion carried unanimously.

Motion: REP. ZOOK moved that **AMENDMENT HB000259.agd**
EXHIBIT(frs85hb0002a12) BE ADOPTED.

Discussion:

General Prendergast, Adjutant General for the Department of Military Affairs, explained the program and advised the program has just received Federal approval. The program is based on a model in Arizona and has a 83% success ratio.

REP. BERGSAGEL asked if it was just for kids who dropped out of school. **General Prendergast** advised the kids could not have a police record and not be in school.

REP. QUILICI felt this was a good way to use tobacco settlement funds.

SEN. NELSON asked if this had been reviewed by the subcommittee. **CHAIRMAN SWYSGOOD** advised it had not because the Federal match was not approved in time.

SEN. MOHL wondered if the Federal match decreased in 2003. **General Prendergast** advised it would.

Vote: Motion carried unanimously.

Motion/Vote: REP. ZOOK moved that **AMENDMENT HB000212.AGP**
EXHIBIT(frs85hb0002a13) BE ADOPTED. Motion carried 5-1 with Quilici voting no.

Motion/Vote: REP. ZOOK moved that **AMENDMENT HB000280.ASC**
EXHIBIT(frs85hb0002a14) BE ADOPTED. Motion carried unanimously.

Motion: REP. ZOOK moved that **AMENDMENT HB000211.AGP**
EXHIBIT(frs85hb0002a15) BE ADOPTED.

Discussion:

Hank Hudson, Department of Public Health and Human Services (DPHHS), explained **SEN. WATERMAN** had a bill that established a revolving fund to purchase used state motor pool vehicles and resell the vehicles at cost to **TANF** recipients.

REP. BERGSAGEL felt this was the wrong message to send to people who were trying to stay off welfare.

REP. ZOOK opposed the amendment.

Vote: Motion failed 3-3 with Swysgood, Nelson, and Quilici voting aye.

{Tape : 1; Side : B; Approx. Time Counter :11:15}

Motion/Vote: REP. ZOOK moved that AMENDMENT HB000289.ALT EXHIBIT(frs85hb0002a16) BE ADOPTED. Motion carried 5-1 with Quilici voting no.

Motion/Vote: REP. ZOOK moved that AMENDMENT HB000288.ALT EXHIBIT(frs85hb0002a17) BE ADOPTED. Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:20 A.M.

SEN. CHUCK SWYSGOOD, Chairman

Shannon Gleason, Secretary

CS/

EXHIBIT (frs85hb0002aad)